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STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
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August 7, 2009

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Catherine P. Awakuni
Executive Director
Department of Commerce
and Consumer Affairs
Division of Consumer Advocacy
P. O. Box 541
Honolulu, Hawaii 96809

Re: Docket No. 2009-0048, Molokai Public Utilities, Inc. ("MPU") – General Rate Case

Dear Parties:

Enclosed is a copy of the Notice of Public Hearing for the above-referenced docket. The Commission will hold a public hearing as follows:

September 3, 2009, 5:00 p.m.*
Mitchell Pauole Center Conference Room
90 Ainoa Street
Kaunakakai, Molokai

*Note: The public hearing will coincide with the public hearing for In re Wai'ola O Molokai, Inc., Docket No. 2009-0029, involving the amended application filed on June 29, 2009, seeking the Commission's approval to increase its rates and charges and establish and/or revise certain other charges.

Parties
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Consistent with Hawaii Revised Statutes § 269-12(c), MPU "shall notify [its] consumers or patrons of the proposed change in rates and of the time and place of the public hearings not less than one week before the date set, the manner and the fact of notification to be reported to the commission before the date of the hearing." (emphasis added.)

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Azama". The signature is fluid and cursive, with the first name "Michael" written in a larger, more prominent script than the last name "Azama".

Michael Azama
Commission Counsel

MA:cp

Enclosure

c: Peter A. Nicolas, Esq. (w/enclosure)

NOTICE OF PUBLIC HEARING

**AMENDED APPLICATION OF MOLOKAI PUBLIC UTILITIES, INC., FOR
REVIEW AND APPROVAL OF RATE INCREASES, REVISED
RATE SCHEDULES, AND REVISED RULES**

DOCKET NO. 2009-0048

The STATE OF HAWAII, PUBLIC UTILITIES COMMISSION ("Commission"), pursuant to Hawaii Revised Statutes §§ 269-12 and 269-16, HEREBY GIVES NOTICE that it will hold a public hearing on **September 3, 2009, 5:00 p.m.**, at the Mitchell Pauole Center Conference Room, 90 Ainoa Street, Kaunakakai, Molokai, relating to the Amended Application of MOLOKAI PUBLIC UTILITIES, INC. ("MPU"), filed on June 29, 2009, for Commission approval to increase its rates and charges and establish and/or revise certain other charges. (Note: the public hearing will coincide with the public hearing for Docket No. 2009-0049, Wai'ola O Molokai, Inc.'s amended application filed on June 29, 2009, for Commission approval to increase its rates and charges and establish and/or revise certain other charges.)

MPU, a public utility that provides water service in the Kaluakoi area on the island of Molokai, proposes to increase: (1) the monthly water consumption charge from \$3.18 per thousand gallons ("TG") (i.e., the non-temporary charge approved by the Commission in July 2003, MPU's last rate case proceeding) to \$9.6061 per TG, or approximately 202.2 percent; and (2) the monthly meter charge, monthly private fire protection rates, monthly water availability charge, and monthly bulk water sales charge, by approximately 202.2 percent each. MPU proposes to implement the increase in rates and charges as part of a two-step phase-in for the purpose of mitigating the impact upon its customers; specifically, MPU proposes to implement a partial increase

upon the Commission's approval of the proposed increase in rates and charges, with the remaining increase to take effect six months thereafter. As part of its Amended Application, MPU also proposes to: (1) establish an Automatic Power Cost Adjustment Clause, which permits adjustments for electric costs during the year; (2) establish a Purchased Fuel Adjustment Clause for the fuel component of its water costs; and (3) amend Rule XX of its Rules and Regulations to increase its Deposit and Reconnection Fees by approximately 100 percent each.

For any increases in MPU's rates and charges ultimately approved by the Commission, the total revenue requirement for the July 1, 2009 through June 30, 2010 test year will not exceed the increase in revenues of \$886,259 (approximately 201.50 percent) over MPU's present total revenue requirement of \$439,838, as set forth in MPU's Amended Application. However, the increases in MPU's rates and charges to be finally approved by the Commission, if any, may be higher or lower than the proposed rates and charges noted in MPU's Amended Application.

Copies of MPU's Amended Application are available for review: (1) on the Commission's website, at <http://puc.hawaii.gov/Rll/water/Dockets>; or (2) through the Commission's electronic Document Management System, accessible at <http://dms.puc.hawaii.gov/dms/>. In addition, copies of MPU's Amended Application are available for review by contacting MPU [(808) 552-2390], the Commission's Maui District Office [(808) 984-8182] or its Honolulu Office (toll-free from Molokai, at 1-800-468-4644, ext. 62020), or the Division of Consumer Advocacy (toll-free from Molokai, at 1-800-468-4644, ext. 62800).

All interested persons are invited to attend the public hearing to state their views. Statements may also be mailed to the Public Utilities Commission at 465 South King Street, Room 103, Honolulu, Hawaii 96813, or at Hawaii.PUC@hawaii.gov. All written statements should reference Docket No. 2009-0048. Any motions to intervene or participate in this proceeding must comply with Subchapter 4, *Rules of Practice and Procedure Before the Public Utilities Commission*, Hawaii Administrative Rules, Title 6, Chapter 61, and must be filed with the Commission at its Honolulu Office by September 14, 2009. Special accommodations for persons with disabilities can be made if requested reasonably in advance by contacting the Commission's Honolulu Office.



Carlito P. Caliboso
Chairman

Molokai Dispatch
The Maui News
August 12 and 26, 2009, and September 2, 2009